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SUBJECT: 99TH U.S.-GREEK JOINT COMMISSION: MEETING SUMMARY

REF: ATHENS 496

1. (SBU) SUMMARY AND COMMENT: On July 23, the 99th meeting of the U.S.-Greek Joint Commission dealing with bilateral political-military issues, particularly the relationship between Souda Bay Naval Support Activity (NSA) and the Government of Greece, was held at Souda Bay NSA on the island of Crete. Issues discussed at the JC included: problems associated with black fuel dye in Greek marine gas oil; the status of the U.S.-Greece ACSA agreement; Greek slowness to sign end-use agreements pertaining to peacekeeping operations and pooled weapons transfers (&Blanket Assurances8); land-lease issues concerning a periphery extension at Souda Bay NSA; military-to-military agreements; Greece's failure to sign a bilateral PSI shipboarding agreement; and various small construction projects at Souda Bay NSA. COMMENT: As at the 98th JC (reftel), the atmosphere was cordial and fruitful. Success at the 98th JC and in the interim period has meant, however, that the remaining outstanding issues represent some of the most intractable problems. We nevertheless remain impressed with Greek JC co-chairman Vassilokonstandakis' enthusiasm and can-do attitude. END SUMMARY AND COMMENT.

2. (SBU) Charge d, Affaires a.i. Thomas Countryman (CDA), the U.S. Joint Commission co-chairman, began by noting that the JC created a good environment in which solutions are found not only during the JC meetings but also between meetings. He cited the extension of the MDCA, the successful resolution of the 302 Form issue, and the approval of the Marathi fuel pipeline as examples of positive results. MFA North America Directorate acting director and Greek JC co-chairman Grigoris Vassilokonstandakis thanked the U.S. side and agreed with the CDA on the value of the JC and the importance of the accomplishments between meetings. Both sides introduced the members of their delegation then addressed specific agenda items.

FUEL COLOR

3. (SBU) Embassy became aware in Sept 2005 that U.S. Military Sealift Command (MSC) vessels were refusing to take delivery of Marine Gas Oil (MGO) at Souda Bay because of the color of the fuel. USMC vessels require fuel to meet a &clear and bright8 standard so that it can be inspected visually for contaminants. Greece, however, had begun requiring MGO to be dyed black to mark it as tax-free/for-export-only. CDA cited figures showing Greek petroleum providers losing approximately 300 million USD in sales annually, the Greek

Government losing taxes, and the Prefecture of Hania losing revenue from canceled ship visits. He noted that we would like to solve the problem either by going to the original clear-color standard or finding another solution.

14. (SBU) The Greek co-chairman said the Ministry of Economics could probably do something to speed things up, but he thought they still needed about two to three months for a ministerial decision. Nevertheless, he said the GOG was very close to a solution and that the MFA was in constant contact with all pertinent officials. He advised the CDA to raise the issue in the latter's upcoming meeting with Finance Minister Petros Doukas and to note to Doukas that no other European country dyes its fuel black. CDA agreed to raise the issue with Doukas. On July 26, CDA also discussed the issue with the new chief of the Greek Customs Service, who said he was aware of the issue and was working on a solution (unspecified).

STATUS OF ACSA AGREEMENT

15. (SBU) The Acquisition and Cross Servicing Agreement (ACSA) is a bilateral agreement between Greece and the U.S. that allows their respective militaries to provide mutual logistical support. The original ACSA was signed in 1996 and amended by a supplemental agreement in 2005. The original ACSA was not ratified by the Greek Parliament. The amendment contained a provision stating that it would not be effective until Greece verified by diplomatic note that its internal coordination procedures had been completed. When the U.S. side asked Greece for the diplomatic note at the 98th JC, the Greek co-chairman replied that the amendment had to be

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ratified by parliament and that it would be best if the U.S. submitted a whole new agreement to replace the original and the amendment.

16. (SBU) ODC legal advisor LTC May noted that EUCOM was willing to negotiate a new agreement to replace the original agreement and its amendment. COL Assimakis agreed and said his staff was ready to receive a draft text of the replacement agreement and meet with EUCOM personnel to negotiate the final text. CDA said he hoped for a fast negotiation since this agreement saved a lot of money for the respective militaries. The Greek co-chairman asked the U.S. side to send the new draft agreement with a dip note to him and he would forward it to the HNDGS. Both sides agreed that the old agreement was valid until a new one was executed.

END-USE AGREEMENTS

17. (SBU) Embassy Athens has sought for over a year to secure from the GOG a 505 end-use agreement covering peace-keeping operations. Since last fall, we have also sought to conclude a blanket assurances end-use agreement that would allow Greece to participate in an equipment-sharing program with about 25 other countries. Greece thus far has not signed the agreements. Vassilokonstantakis has told us in the past that the MFA favored the agreements, and while the MOD was likely not in principle opposed, he was unable to locate anyone within MOD willing to take responsibility to sign the agreements.

18. (SBU) The Greek co-chairman and MFA legal advisor Fani Livada argued that the 505 and Blanket Assurances agreements were not proper subjects for discussion at a Joint Commission meeting and should probably be discussed at the HLCC. The U.S. side replied that the 505 and Blanket Assurance agreements were appropriate topics for the Joint Commission because there are general provisions in the MDCA that state the U.S. would assist in the modernization of the Greek Military. The Greek co-chairman said unofficially that the 505 agreement was close to resolution and would probably be

signed before the next JC meeting. He noted, however, that the Blanket Assurances agreement would take more time. The U.S. side offered help in overcoming any obstacles.

LAND-LEASE UPDATE

¶9. (SBU) At the September 2001 JC, the U.S. formally requested Greece to increase the boundaries of NSA Souda Bay to allow a widening of the perimeter fencing for force-protection purposes. Greece agreed to the land transfer, but it has taken several years to complete because of the number of agencies and processes involved. One of the last (and hardest) steps of the process (expropriation) was completed by the February 2007 Joint Commission. We were informed then that there would be a public-comment period concerning the transfer but things would move quickly thereafter.

¶10. (SBU) At the 99th JC, the Greek side said it had good news in that none of the landowners had objections about the rate of compensation for their land. The only problem was that 40 percent of the landowners claimed their land was larger than the GoG estimated and that they were entitled to greater compensation. Greece, therefore, needed to use the topographical service (Greek equivalent of surveyors) to get more precise measurements of the land and verify landowner claims. The Greek co-chairman estimated the measurement process would take two months after which the landowners would be invited to receive payment. The HAF representative said unofficially that if the amount of the land were larger than anticipated, the HAF would pay the necessary additional compensation to the landowners to allow for speedy resolution of this long-standing issue.

MILITARY-TO-MILITARY AGREEMENTS

¶11. (SBU) To facilitate smoother interaction with regard to various pending agreements, the U.S. side asked whether it was possible to determine a priori which new agreements negotiated between the U.S. and Greek militaries were

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self-executing and which had to go to parliament for ratification. The Greek co-chairman and Mrs. Livada said that each agreement had to be looked at individually, but in general, agreements that had no financial implications and the ones that are too technical usually did not need parliamentary approval. Everybody agreed that each time a new agreement was being negotiated it should be briefed to the JC.

PSI SHIPBOARDING AGREEMENT

¶12. (SBU) Under the category of &Other Business,8 the U.S. side inquired about delays in Greece's signing a bilateral shipboarding agreement under the Proliferation Security Initiative (PSI). PSI is designed to enhance the detection and prevention of illicit WMD material trafficking. To make full use of PSI, the U.S. has asked Greece to sign a bilateral shipboarding agreement governing various procedures for the inspection of each country's vessels on the high seas by either country. Negotiations over the terms of a ship boarding agreement occurred periodically since September ¶2004. Greece has endorsed PSI and will host the October 2007 PSI Experts, Meeting in Rhodes. But the GOG has not signed a bilateral shipboarding agreement due primarily to concerns of Greek shipowners, who control a large proportional of the world's commercial shipping fleet. The Ship Owners, Association is concerned about how liability for damages would be dealt with under the current form of the agreement.

¶13. (SBU) At the Joint Commission meeting, CDA) while

acknowledging that PSI was outside the normal scope of the JC -- stressed that it was in the Greek Government's interest to sign the shipboarding agreement since the U.S. was prepared to board any vessel suspected of transporting illicit WMD whether or not a bilateral shipboarding was in place and Greece would be in a better position if an agreement were signed. Mrs. Livada avoided a direct answer, citing the complexity of the issue and on-going concerns of the shipowners. CDA said we would like to have progress on the issue before the October meeting in Rhodes.

VARIOUS SMALL PROJECTS AT SOUDA BAY NSA

¶14. (SBU) Souda Bay NSA Executive Assistant Bruce Gale then said that there were a number of small projects that needed approval before funding disappeared on October 1, 2007. Under normal procedures, the projects would be approved by the HAF before being presented to the JC. Gale argued, however, that he could not get USN approval and funding for the projects until he had conditional approval of the GOG. The projects in question included:

-- Connecting the Admin building with an adjoining building to provide more space for Greek representatives to Souda Bay NSA;

-- Small addition to the Gymnasium;

-- Construction of a small auto & hobby shop where Souda Bay NSA personnel could repair their POVs.

¶15. (SBU) Gale asked for preliminary approval for the construction by the JC, conditional on the HAF giving their technical approval for the projects. The Greek co-chairman responded that he could not give the approval now but would expedite the approval within the MFA even without the HAF technical evaluation. Gale asked for an answer by August 15 before funding evaporated. The Greek co-chairman promised a timely, even if unofficial, answer.

¶16. (SBU) Finally, the Greek side inquired about the dates of the next U.S.-Greek High Level Consultative Committee (HLCC), which is slated for Washington. The U.S. side responded that it did not yet have a firm date, but hoped the meeting would take place in October.

¶17. (SBU) 99th Joint Commission participants:

U.S. DELEGATION:

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U.S. Embassy:

Mr. Thomas M. Countryman, Charge d'Affaires a.i. and JC Co-Chairman
Dr. Paul M. Carter, Jr., Deputy Political Counselor and Political-Military Chief

Office of Defense Cooperation (ODC):

Colonel Steve G. Boukedes, ODC Chief
Lt. Colonel Robert L. May, Jr., ODC Legal Advisor
Ms. Alexandra Karavasili, Host Nation Attorney
Ms. Catherine Hirt, ODC Legal Assistant

Souda Bay NSA:

Captain Thomas McDonough, Base Commander
Commander Mark Nowicki, Executive Officer
Mr. Bruce Gale, Executive Assistant
Lt. Brett Cook, Judge Advocate General's Office

GREEK DELEGATION:

Ministry of Foreign Affairs:

Mr. Greg Vassiloconstandakis, Acting Director A7 Directorate, JC Co-Chairman

Ms. Fanni Leivada, Legal Department

Hellenic National Defense General Staff (HNDGS):

Colonel G.Petkos, IRD

Colonel L. Assimakis

Hellenic Navy:

Captain A. Krimiotis,G2

Hellenic Air Force:

Colonel V. Tsakoumis, Commander 115th CW

Major Th. Papadakis, Assistant Representative to U.S. Facility
COUNTRYMAN